

## **The Key to a Great Success in the Business World?**

We start our exploration of this topic with a brief outline of the key issues relevant to the success of any business entities. First, we need to explain our key term "business".

What is a business?

A business can be understood as human institutions, not just a name, a brand, a building, an x years plan, goods or services. Moreover, a business also has cultural connotations, attributes and attachments. For example, Fish and Chips as an English Food or Hollywood Film signifies as the U.S cultural products).

A business is also about production and consumption, it also involves providing goods and services to the consumers.

A business can also be understood as a status symbol, and a badge of privileges. For example, wearing a particular type of shoes such as Nike or Clark or going to Ritz Hotel, Hilton, Sheraton or Shopping at Harrods is always been regarded as a status symbol and a sign of reach/wealth.

One would therefore need to point out that, in order for any business to succeed anywhere in the world, it needs to understand the political, economic, social and cultural environments it operates. Without an understanding of these important factors, it would be difficult to think or even conceive of the likelihoods of a successful business venture.

Why these interconnected factors do matter to the success of a business? And how do/can they affect the success of a business?

Let us closely examine the business environment in turn.

1. Political/legal factors – business will be directly affected by the actions of government and other political events. These might be major events affecting the whole of the business community, such as the recent financial crisis. Alternatively, there may be government's actions/policies that could affect some parts of the country. For example, an introduction of a congestion charges might affect certain businesses because of fear of incurring extra costs and losing their consumers. Similarly, business will be affected by the legal framework in which they operate. Examples, includes industrial relations, minimum wage, product safety standards, health and safety regulations, or laws prohibiting price fixing.

2. Economic factors - economic recession, unemployment, inflation and the slow down of economic growth, etc.

3. The Social factors – change of consumer tastes, the rise of crime in particular parts of the country, the movement of people due to lack of employments, etc.

For any business to succeed, it needs two essential ingredients.

- A. it must have good products – goods or services;
- B. it must also be managed properly.

A product side involves good design, packaging, marketing and delivery. A management aspect involves organising and directing human resources and allocating financial resources according to priorities, and excellent customer services.

Therefore, it can be safely said that a business without good product and good management system in place is highly unlikely to succeed.

Simple business equation

Bad products + bad management = failure

Today, this is what we are witnessing with regards to the recent ongoing financial crisis in this country and globally.

#### Organisational drive

Every organisation has its main drive. But we will discuss the three of them.

Many organisations are *product-driven*. Their motivation springs from the product they make, or the specific service they provide. Their mission is to make good product and services. They will tend to regard making money, or satisfying customers as less important than designing and producing.

Other organisations are *profit-driven*. For them, product is relatively unimportant; they will undertake almost any activities that will make them money. For this type of business organisation, the bottom line is profit maximization. The satisfaction of the customer is a less important activity.

There are also organisations which are *customer-driven*. Their main mission is to satisfy their customers. Those organisations which will succeed in the future seem likely to be those that are customer-driven. Unless customer satisfaction is thrust to the centre of all things and activity, survival must be doubtful.

#### Competitive Advantage

A business which wants economic results has to have leadership in something of real value to customer or market. The main reason for this requirement is that profits can only be earned by providing something the market accepts as value and is willing to pay for as such. And value always implies the differentiation of leadership. It may be in one narrow but important aspect of the product line, it may be in its service, it may be in its distribution, or it may be in its ability to convert ideas into saleable products on the market speedily and at low price.

A business can gain a competitive advantage over its rivals in three different ways. First, it can gain a competitive advantage on price leadership (i.e., by providing low prices). Secondly, it can gain a

competitive advantage through product differentiation (i.e., by providing quality products and services). Three, excellent customer services.

What is customer service?

"There are fools in every market; one asks too little, one asks too much". Russian proverbs.

'The customer is King.' 'The customer is always right.' 'We put our customers first.' 'Look after your customers, and they will look after you.'

There is a conventional wisdom that the purpose of a business is to create and keep customer. Why?

Because, consumers are the most important individuals in the business environment for it is their demand for goods and services which creates the need for the entire business environments.

Furthermore, the services given to customers has always been important. Customer service refers to the activities involved in ensuring that a product or service is delivered to the customer on time in the correct quantity.

Unless we know what our customers want, what they actually get will be a matter of chance. Establishing their needs and expectations should be the foundation for everything else we do. This can only be achieved through market research.

Market research in the past indicates, easy interpersonal relationship, convenient and rapid deliveries, and sympathetic handling of complaints, for example, have consistently given a competitive edge to suppliers whose goods were no different from those of their competitors. But there are reasons to believe that today, customer service is not only more important than ever before, but may become the principal agent of success or cause of failure for many organisations.

The cost of bad customer service

The cost of bad customer service is enormous. According to business experts, it has been suggested that the cost of acquiring new customers can be five times greater than the cost of retaining existing customers through good services. Improving customer service is therefore vital for the survival of any business.

Cooperation and joint venture

The benefits of working together and cooperation in the business world is vital for the success of any business. Why?

1. By working together businesses can cut or reduce its costs.
2. Cooperation can bring more revenues.
3. Cooperation can reduce delays.
4. Cooperation can build trusts.
5. Cooperation can create opportunities for growth through expansion.
6. Business is not only about competing but it is also about complementing.